

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

UNITED STATES OF AMERICA,

Plaintiff,

v.

DARRYL LEE WRIGHT,

Defendant.

NO. CR14-5939BHS

GOVERNMENT'S SENTENCING
MEMORANDUM

The United States of America, by and through Annette L. Hayes, United States Attorney for the Western District of Washington, and Assistant United States Attorneys David Reese Jennings and Gregory A. Gruber, hereby file this sentencing memorandum and give notice of the need for an evidentiary hearing in the case against DARRYL LEE WRIGHT. As is explained in detail below, the United States seeks a sentence of five (5) years of imprisonment, restitution in the amount of \$751,395.45, and special terms and conditions of supervision upon defendant's release from custody.

I. Introduction

DARRYL LEE WRIGHT pled guilty to two counts of a broad and long-lasting scheme. DARRYL LEE WRIGHT led a scheme in which he, his sister Karen Wright, and others schemed to defraud benefits, accommodations, and other things of value from any federal and/or state agency or department that might offer anything to a wounded

1 veteran. DARRYL LEE WRIGHT pretended to be severely disabled, primarily from an
2 alleged rocket attack during the Iraq War. Over the years, DARRYL LEE WRIGHT
3 expanded and embellished upon his foundational lies, fabricated documents, and made
4 multiple false statements. He grossly exaggerated the original rocket event, the injuries
5 he supposedly sustained, and the symptoms he supposedly suffered from the injury.
6 Karen Wright, DARRYL's sister, played along in exaggerating DARRYL's symptoms,
7 mostly by pretending to be his live-in, 7-day-a-week, in-home caregiver at DARRYL's
8 home. DARRYL's mother joined the scheme, posing as an objective, neutral, third party
9 medical professional, and by submitting (as Elaine Spalding, R.N.) exaggerated and false
10 medical assessments about DARRYL – all without disclosing that she was in fact his
11 mother. DARRYL's father and some of DARRYL's friends joined too, assisting by
12 signing exaggerated and false statements about DARRYL's symptoms. In other
13 instances, DARRYL stole the identity of friends, acquaintances, and others, using their
14 names and positions in documents that DARRYL fabricated for the scheme. DARRYL
15 later enlisted his live-in girlfriend, Heather Munden, to help with the scheme. Even after
16 agents confronted him in 2014, DARRYL WRIGHT persisted with his scheme.

17 Most of DARRYL LEE WRIGHT's fraud in this aggressive scheme rested on
18 fictitious injuries he claimed to have suffered during a rocket attack. Testimony at the
19 trial of Karen Wright established that DARRYL LEE WRIGHT falsely described the
20 events of the attack, falsely claimed to have been seriously injured, and that he wrote and
21 submitted false statements to the Army. Indeed, witness Bradley Aune testified how
22 DARRYL LEE WRIGHT stole his (Bradly Aune's) identity and that of another officer,
23 using their names in support of false accounts of the attack. The evidence showed that
24 DARRYL LEE WRIGHT lied to obtain a Combat Action Badge, which he later used to
25 fraudulently obtain a Purple Heart. As part of his scheme, DARRYL LEE WRIGHT
26 built an entire myth system on these two awards, relying on them to obtain every possible
27 benefit that might be available to a wounded veteran.
28

Every time he won or qualified for a benefit, DARRYL LEE WRIGHT used the new benefit to bolster his claims for yet another undeserved benefit. If one government agency made a determination about his disability, DARRYL LEE WRIGHT used the finding/decision/award to convince yet another agency to grant him additional benefits. Notably, DARRYL LEE WRIGHT used his status as a wounded veteran in every way he could to commit fraud, to get concessions, to bully others, and even to avoid multiple prosecutions for violent and fraudulent behavior.

We are still uncovering the loss, damage, and harm caused by the scheme. The scheme caused monetary damages, which are captured by the guidelines and itemized below. The scheme also covered things that cannot be monetized, such as concessions, settlements, and accommodations, granted to defendant WRIGHT because of his lies. The scheme caused significant harm to hallowed institutions and iconic awards, which are now soiled by DARRYL LEE WRIGHT's scheme. And, notably, the scheme harmed individuals, some of whom knew DARRYL LEE WRIGHT and were squashed because they questioned him. Others have no idea who DARRYL LEE WRIGHT is, and probably no idea they have even been harmed. The latter are those who yearn to be taken seriously about their disabilities, to be believed, but who now find their struggle more difficult because DARRYL LEE WRIGHT has given everyone the perfect example of a veteran who falsely claimed to suffer from something that cannot be seen or measured.

Application of Sentencing Guidelines

The United States concurs with much of the probation report, but will devote some discussion to monetary loss, to DARRYL WRIGHT's role in the offense, and to the defendant's obstruction of justice.

Monetary Loss

The scheme caused monetary loss in the following amounts, for a total of \$751,395.48.

1. SSA disability	\$181,438.20
2. VA Caregiver	\$83,967.00

3.	VA disability	\$275,642.10
4.	OPM disability	\$48,226.49
5.	State unemployment	\$29,860.00
6.	Department of Education loans	\$41,068.69
7.	Department of Commerce Salary (from the date he should have terminated for submitting false orders to his employer at the DOC, but was accommodated because of his false claims that he was subject to discrimination because he was a wounded veteran.)	\$91,260.00
Total Monetary Loss		\$752,362.48

1. SSA disability \$181,438.20

DARRYL WRIGHT pled guilty to this offense. In addition, the evidence at trial showed that DARRYL LEE WRIGHT submitted multiple false documents to initially qualify for SSA disability, and he continued to submit false and wholly fabricated documents to continue receiving disability. As we learned during trial from the testimony of Clarissa McLane, the receipt of disability payments is a binary decision: the applicant is either disabled or not. If not, then he or she is not considered disabled and is not paid any disability. It is not a question of percentages.

The evidence introduced at trial demonstrated that DARRYL WRIGHT committed fraud in the inducement to convince SSA to place him on disability. The evidence at trial also demonstrated that DARRYL WRIGHT was highly capable and not at all hobbled as he described in his SSA application. At the trial of Karen Wright, the United States introduced Exhibit 5, which is now part of the record in this case. Exhibit 5 includes the false documents initially submitted by DARRYL WRIGHT, including the picture of the busted "HMMWV" from the summer of 2005. The incident never happened, and certainly DARRYL WRIGHT's vehicle was never damaged. Exhibit 5 also contains defendant's exaggerated and false function report, which describes him as being unable to pay attention for more than 5-10 seconds, and that his condition affects

1 everything but “seeing.” The initial application also contained the notorious “Elaine
2 Spalding” letter, along with forms filled out by Elaine Spalding. The testimony at the
3 sentencing hearing will confirm that this entire amount should be counted as a loss.

4 **2. VA Caregiver fraud**

\$83,967.00

5 DARRYL WRIGHT committed the caregiver fraud simultaneously with his SSA
6 disability fraud, and pled guilty to it as well. Much like the SSA disability fraud,
7 DARRYL WRIGHT committed fraud in the inducement by lying to his physician about
8 his abilities and disabilities, and by exaggerating his symptoms and conditions. Indeed,
9 DARRYL WRIGHT’s medical claims are all built on the phony and fabricated events
10 behind his Purple Heart. It is difficult to even imagine what the truth might be, since so
11 much of DARRYL WRIGHT’s VA file is built on lies and false statements. Moreover,
12 unlike other cases in which a single false statement can be disregarded to determine true
13 circumstances, DARRYL WRIGHT is such a prodigious liar that it is impossible to know
14 the truth. Most of DARRYL WRIGHT’s claims are based on his word and demeanor,
15 not on objective evaluations and observations by others. How can one rely in any way on
16 DARRYL WRIGHT’s renewed claims of being disabled?

17 The blunt reality now is that anything coming from DARRYL WRIGHT has to be
18 carefully sifted for any truth. As the judge stated about DARRYL WRIGHT in the
19 Findings of Fact and Conclusions of Law in Idaho case CV DR2005-2135:

20 33. Darryl is focused, bright, intellectual, and self-aggrandizing. Darryl was able to
21 recall and explain his answers in court with great attention to detail, as long as the
22 answers were self-serving. When pressed about most anything that could be
23 viewed negatively by the Court, Darryl had virtually no recollection of any facts.
24 Darryl compromised his credibility as a witness by continuing this practice
25 throughout the course of trial.

26 A copy of the findings of fact and conclusions of law is attached as **Attachment 1.**
27
28

3. VA disability

\$275,642.10

The VA has administratively reconsidered DARRYL WRIGHT's disability status, in light of his admitted fraud, and has determined that he should receive no disability for Post-Traumatic Stress Disorder. Since this loss has already been determined by the affected agency, the court should give it deference and adopt the number here for purposes of loss. Indeed, DARRYL WRIGHT has had access to administrative process but declined, strategically, to challenge VA findings, claiming he wished to wait until sentencing. Since defendant Wright now contests the VA losses in the criminal setting, at a sentencing hearing, after pleading guilty, it is very peculiar that he would eschew the administrative process: it appears he hopes to use the favorable atmosphere of a sentencing hearing to make his arguments. Instead, the court should give deference to the findings made by the VA, and should decline to substitute its own fact finding for that of the experts. In fact, there is an appellate process and administrative rules for how DARRYL WRIGHT might challenge the current findings.

It is important to note that the determination of loss does not require that the court make concrete findings, but rather that it make a reasonable estimate of the loss. The defendant's conduct involved fraud against multiple agencies, about which the United States will present testimony.

4. OPM disability

\$48,226.49

DARRYL WRIGHT used his inflated disability status and various grants of benefits by other agencies he had already defrauded. Defense Exhibit 7 from the trial of Karen Wright shows that once again DARRYL WRIGHT committed fraud in the inducement to obtain disability benefits. Moreover, as the Declaration of Eva Ukkola (Attachment 2) establishes, if DARRYL WRIGHT had been separated because of fraud (as he should have been because he submitted false orders), then he would be ineligible to claim disability.

5. State unemployment

\$29,860.00

The testimony at trial, along with Exhibit 8, demonstrated the fraud committed by DARRYL WRIGHT against the Washington State Employment Security Department. DARRYL WRIGHT falsely claimed he was able to work, that he was looking for work, and that he was willing to work. Simultaneously, he was claiming to others that he was completely unable to work. It is expected that DARRYL WRIGHT will claim that in fact he was disabled. The United States will again call Deborah Brookshire to establish the amount of damages, that DARRYL WRIGHT should not have received any benefits, and that, if the truth had been known and if the Department of Commerce had terminated DARRYL WRIGHT for fraud and misconduct, DARRYL would have received zero unemployment, whether he claims disability, complete or otherwise.

6. Department of Education loans

\$41,068.69

This is a DARRYL WRIGHT victim discovered only after trial. In July 2013, DARRYL WRIGHT used his fraudulently obtained status as “100%” disabled, his phony Purple Heart, and the notorious Elaine Spalding letter to defraud the United States Department of Education. DARRYL WRIGHT fraudulently sought and obtained forgiveness of student loan debt in the amount of \$41,068.69. He even used his fraudulently obtained permanent parking privilege card to support his claims.

7. Department of Commerce Salary

\$91,260.00

In September of 2009, DARRYL WRIGHT used the identity of a Colonel in the United States Army to create phony military orders. He then submitted the bogus orders to his employer at the Economic Development Agency (EDA, a part of the Department of Commerce). The United States Army and the Department of Commerce investigated the phony orders when they were first reported. In December 2009, DARRYL WRIGHT confessed to fabricating the orders, but claimed they were “placeholder” orders. There is no such thing as “Placeholder” orders.

The fraudulent orders were first uncovered by Ms. C. J. Jackson of the EDA. When it was clear that he faced termination, DARRYL WRIGHT directed charges at

1 C. J. Jackson, using his fraudulent status as a decorated, wounded veteran to threaten the
2 EDA with various legal actions, claiming he was afraid of C. J. Jackson, and
3 exaggerating symptoms from his alleged PTSD. As a result of DARRYL WRIGHT's
4 false statements, threats and claims, the EDA brought disciplinary actions against C.J.
5 Jackson, and, further, declined to immediately sever Wright from employment at EDA.
6 As a direct result of Wright's false claims and his attacks on C. J. Jackson, the EDA
7 allowed him to continue to work until they were finally able to negotiate a settlement in
8 which he would drop his claims, in exchange for the EDA and the Department of
9 Commerce agreement not to pursue any relief stemming from the false orders. The
10 Seattle Times and other publications ran a story on what happened.

11 [http://www.seattletimes.com/seattle-news/long-ordeal-for-seattle-worker-who-exposed-
veterans-fraud/](http://www.seattletimes.com/seattle-news/long-ordeal-for-seattle-worker-who-exposed-
12 veterans-fraud/)

13 Exhibit A-7, introduced by the defense at trial, is the complete report of the
14 investigation of the false military order fraud. This fraud was directly charged in the
15 Superseding Indictment. The declaration of Thomas Guevara is appended as Attachment
16 3. Had the EDA and the Department of Commerce known the truth about DARRYL
17 WRIGHT, they would have terminated him immediately after learning of the submission
18 of false orders. The amount of salary that DARRYL WRIGHT was able to obtain, by
19 making claims and threats based on his fraudulent scheme, calculated from the time he
20 should have been fired until when he was ultimately severed, amounts to \$91,260.00.

21 **Sophisticated Means**

22 DARRYL WRIGHT should receive this enhancement for 2 points because of how
23 he built one fraudulent achievement on the next. DARRYL WRIGHT also merits this
24 enhancement because of how he fabricated multiple documents, such as the Karen
25 Bevens invoices, the false Buddy Statements, and the false accounts of events in Iraq. In
26 addition, DARRYL WRIGHT stole the identities of friends and acquaintances and used
27 them to create false documents in support of his scheme. The number of lies, false
28 documents, and the extensiveness of his scheme are without comparison.

1 **Role in the Offense**

2 Probation has given DARRYL WRIGHT an upward adjustment of only 2 points
3 for his role in the offense. The United States contends that the extensiveness of the
4 scheme, along with his involvement of family members, warrants a 3 or even 4 point
5 upward adjustment. The evidence at trial demonstrated that DARRYL WRIGHT
6 involved his sister, his mother, and his new girlfriend—Heather Munden. DARRYL also
7 asked friends to sign Buddy Statements, which he drafted, but to which the individuals
8 could claim little or no personal knowledge.

9 This enhancement does not require that the court find that all participants were
10 knowingly involved in the scheme. The court may find that the scheme was “otherwise
11 extensive,” in which case the other participants need not be criminally responsible, but
12 only he used the unknowing services of others. Here, DARRYL WRIGHT was clearly
13 the organizer and leader of the offense, and it certainly involved at least two other
14 persons who were criminally responsible. But there were many others he brought in to
15 assist, knowingly and unknowingly, which make this offense “otherwise extensive.”
16 DARRYL involved friends and acquaintances, sometimes without their knowledge,
17 sometimes with their knowledge. Under these circumstances, DARRYL WRIGHT
18 should receive the full 4 point enhancement.

19 **Obstruction of Justice**

20 All the conduct involving C. J. Jackson amounts to obstruction of justice.
21 DARRYL WRIGHT’s retaliation against her, when all she did was blow the whistle on
22 his conduct, is the worst sort of behavior imaginable. That he conned or extorted the
23 Department of Commerce to punish her is shameful. DARRYL WRIGHT nearly
24 succeeded in killing the case against him by crushing C. J. Jackson. For this alone,
25 DARRYL WRIGHT should be enhanced 2 points.

26 In addition, DARRYL WRIGHT should receive the 2 point enhancement for
27 obstruction of justice for destroying a letter created by his daughter. In preparation for
28 his sentencing, DARRYL WRIGHT asked his daughter Madison to draft a letter for the

1 court. In the original draft, Madison recommended that her father receive some time in
2 prison, since that would be the only way to prevent similar behavior in the future. Upon
3 seeing what she had written, and instead of simply withholding the letter, DARRYL
4 WRIGHT insisted that Madison write a new letter. DARRYL WRIGHT sat and typed
5 what he thought Madison should say. When the United States learned of this conduct, we
6 warned defense counsel Chris Black of what had occurred.

7 The original letter from Madison is with DARRYL WRIGHT or was destroyed by
8 him. Victim/Witness coordinator Maggie Land interviewed Madison and will testify
9 about this incident.

10 **Guideline Totals**

11 Base offense level	7
12 More than \$550 in loss	14
13 Sophisticated means	2
14 Role in the offense	4
15 Obstruction of Justice	2
16 Acceptance of responsibility (per plea agreement)	-2
17 Total offense level	27

19 **Criminal History Category**

20 The Presentence Report demonstrates a very active criminal history, but very few
21 convictions. Not surprisingly, the defendant has repeatedly used his status as a disabled
22 combat veteran to walk away from and to talk his way out of criminal charges, and to
23 secure reduced charges or defer sentences. The defendant is also named as the respondent
24 in three separate (non-expiring) protection orders naming three separate protected parties.
25 But for his use of his fraudulent status as a wounded veteran, defendant would have a
26 very, very significant criminal history.

1 **Recommendation**

2 With total offense level of 27 and a Criminal History Category of I, defendant
3 WRIGHT faces a sentencing range of 70 to 87 months. If the court instead adopts the
4 calculations made by Probation (22), then defendant faces 41 to 51 months.

5 The United States seeks a sentence for DARRYL WRIGHT of five (5) years in
6 custody. This sentence is just, proportionate, and absolutely necessary. Indeed, unless
7 the court issues a sentence of this magnitude or greater, it is a guarantee that defendant
8 WRIGHT will continue to con government agencies, friends, family, girlfriends and
9 strangers. In fact, DARRYL WRIGHT has already set out to recapture the benefits
10 rightfully stripped from him, rather than steer a course to a normal, law abiding life. Yes,
11 there is something wrong with DARRYL WRIGHT, but failing to sentence him to prison
12 will do nothing to cure him, stop him, or prevent future crimes.

13 DARRYL WRIGHT presents a determined, focused, almost obsessive figure. He
14 refuses to take no for an answer, reacts violently when he is denied something, and
15 attacks those who might correct his behavior or even report it. He lied consistently,
16 repeatedly, prodigiously, and unremorsefully. While his sister was in trial for
17 participating in his scheme, DARRYL WRIGHT was in Idaho, lying to a judge about his
18 tax returns and other events in his life. The judge in that proceeding specifically found
19 and politely stated the manner in which DARRYL WRIGHT lied. If only that judge
20 knew the full story. Yes, there is something very wrong with DARRYL WRIGHT: he is
21 and always has been a liar.

22 No criminal activity or fraud was beneath DARRYL WRIGHT. He used his false
23 status to seek accommodations from Bellevue College, such as more time to finish
24 assignments, and to have someone take notes for him. He sought and was issued Purple
25 Heart License Plates, and a Disabled parking placard, which garnered him special
26 privileges owning and operating his vehicles. He used his claimed disability to get out of
27 a DWI in Boise (by feigning a seizure). He used his claimed disability to avoid trouble
28 after crashing and leaving his vehicle in a tree. He used his claimed disability to garner

1 sympathy from King County Superior Court in the Cindy Ross/Richard Buck case. He
2 used his claimed disability to deter Cindy Ross from charging him for choking her after
3 an argument. He used his claimed disability many times to garner sympathy when
4 dealing with family courts in both King County, WA and Ada County, ID. He used his
5 claimed disability to garner sympathy and try to mislead others in a personal injury case
6 in Chelan County. Any time it would help him, he used his claimed disability.

7 At this point, after all that has been exposed about DARRYL WRIGHT, it is
8 amazing that he continues to argue so strongly about the monetary loss caused by his
9 scheme. He is truly shameless about his mendacity: he shrugs off getting caught lying
10 with the casualness others might display about getting caught without an umbrella. He
11 has learned nothing from this case, from all the revelations, and obviously expects us all
12 to look the other way. He wants us to credit what he says now, regardless of what came
13 before, with no discount for how he has already been caught lying. He argues that we
14 should believe his subjective evaluations and comments, when they have been proven to
15 be lies over and over again. There is indeed something very wrong with DARRYL
16 WRIGHT: he insists we believe his new lies.

17 Just as he has done so many times before, DARRYL WRIGHT will ask to be
18 forgiven, will seek for leniency because of his problems (whatever he has most recently
19 conned doctors or friends and family to believe), and he will promise he has learned his
20 lesson. He will pretend, as he has done so many times, that he is remorseful. The court
21 should buy none of it and should remind itself the following: there is something very
22 wrong with DARRYL WRIGHT; he is the worst kind of criminal to stand before this
23 court.

24 DARRYL WRIGHT has engaged in a long-lasting, persistent, epic offense. He
25 sullied the reputations of people, institutions, and agencies. Worst of all, he hurt the
26 heroes who fully deserve recognition, respect, and honor. Thanks to DARRYL
27 WRIGHT, all the efforts to expand the understanding of and sympathy for those who
28 suffer from PTSD have been stunted. Every skeptic can now openly (and worse,

secretly) point to DARRYL WRIGHT and invoke his name to say that *they* are all like him, all fakers, all cheating the taxpayers so they can live a life of leisure.

That is how it will be, unless this court issues a sentence that truly represents the ignominy of what DARRYL WRIGHT has done. The court should severely punish DARRYL WRIGHT to emphasize that his crimes have been outrageous, that they will not be tolerated, that they are not the norm but an aberration, abhorrent to a society that cherishes the real sacrifices of our veterans.

There is little point in going through the touchstones for a sentence. The United States submits that only a significant sentence will recognize DARRYL WRIGHT's offenses, will deter him in the future, and will deter others who might be committing the same kind of offense. Most importantly, it will announce to others who earned their Purple Heart that nobody believes that the underlying conduct in this case is something common, something casual, or something easily forgiven.

It is time for someone to say, "Enough!"

DATED this 18th day of August, 2016.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2016, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the attorney of record for the defendant.

s/Jennifer Shauburger
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